

MEMO



TO: Gabriel Engeland, City Manager
Honorable Mayor & City Council

FROM: Larry Lochard, Finance Director

DATE: November 24, 2015

RE: Financial Reports - Expense & Revenue
YTD Period ending September 30, 2015

All budget comparisons are to 2015 adjusted budget figures to reflect 9/12ths of the year on a lineal 12-month average or to reflect actual historical performance such as property taxes where historically 93-95% of taxes are received in the first nine months of the year.

General Fund

Revenues year-to-date at September 30, 2015 were \$7,337,151 (8.0% or \$544,801 over budget). Property taxes (General Fund and Library share) were consistent with budget. Specific Ownership and Motor Vehicle taxes are up 7.0% or \$31,155 over budget. Sales Tax receipts were up 9.3% or \$254,311 over budget. Specific Marijuana city taxes were over budget 261.8% or \$261,756. Licenses & Permits are up 67.2% or \$86,873 over budget primarily from Marijuana licenses and Building/Utility permits. All other revenues are under budget primarily from Grants, Fines & Forfeitures, and Mineral Leases being under budget.

Total Expenses year-to-date at September 30, 2015 were \$6,583,893 (9.5% or \$687,582 under budget) resulting in net revenues exceeding expenditures by \$753,258 for the period compared to a net expenditures exceeding revenues budgeted loss of \$479,125 for the same time period (\$1,232,383 positive improvement).

Comparing 2015 YTD actual versus 2014 YTD actual yielded the following information: 2015 revenues are more than 2014 by 6.9% or \$475,228. 2015 expenses are also more than 2014 by 3.3% or \$208,342. This resulted in 2015 revenues exceeding expenses for a gain of \$753,258 versus revenues over expenses gain of \$486,372 for the same period of 2014.

See the charts at the end of this report.

Power & Light Fund

Revenues year-to-date at September 30, 2015 were \$5,746,275 (1.2% or \$68,850 under budget in charges for services). Expenses were \$5,167,026 (20.0% or \$1,294,224 under budget in purchased power and G&A expenses). This resulted in net revenues exceeding expenditures by \$579,249.

Comparing 2015 YTD actual versus 2014 YTD actual yielded the following information disregarding the \$1,010,005 ARPA settlement (one time occurrence) included in 2014 revenues: 2015 revenues are more than 2014 by 1.3% or \$74,774. 2015 expenses are less than 2014 by 9.7% or \$556,491. This resulted in 2015 revenues exceeding expenses for a **gain of \$579,249** versus a **loss of \$52,016** for the same period of 2014.

Water Fund

Operating Revenues at September 30, 2015 year-to-date were \$1,798,627 (2.4% or \$41,377 over budget). Operating expenses were **\$1,465,627 (35.4% or \$803,498 under budget in Distribution/Chlorination, G&A and no transfer to Sewer)**. This resulted in **net revenues exceeding expenditures by \$333,000**. These values and percentages are calculated without capital outlay to show a more accurate accounting of operating expense and revenue since the fund has a significant amount of capital improvements budgeted. YTD capital outlay expenditures of \$2,741,983 were under budget by 25.0% with no offsetting revenue.

Comparing 2015 YTD actual versus 2014 YTD actual yielded the following information: 2015 operating revenues are more than 2014 by 2.2% or \$38,431. 2015 operating expenses are less than 2014 by 8.5% or \$135,557. This resulted in 2015 operating revenues exceeding operating expenses for a **gain of \$333,000** versus a **gain of \$159,012** for the same period of 2014.

Sewer fund

Revenues at September 30, 2015 year-to-date were \$1,099,210 (18.6% or \$251,540 under budget primarily due to no transfers in to-date from other funds (any necessary transfer will be done at year-end). Expenses were **\$1,387,967 (10.8% or \$167,683 under budget in Sewage Treatment and G&A)**. This resulted in net expenditures exceeding revenues for a **loss of \$288,757**, without transfers in budgeted at \$450,000.

Comparing 2015 YTD actual versus 2014 YTD actual yielded the following information: 2015 revenues are more than 2014 by 0.3% or \$3,057. 2015 expenses are less than 2014 by 9.1% or \$138,729. This resulted in 2015 expenses exceeding revenues for a **loss of \$288,757** versus a **loss of \$430,543** for the same period of 2014.

Gas Fund

Revenues at September 30, 2015 year-to-date were \$3,456,008 (11.7% or \$363,008 over budget). Charges for services account for the majority of the increase. Expenses at September 30, 2015 were **\$2,683,872 (18.9% or \$624,453 under budget)**. Gas purchase costs are under budget by \$410,111 which includes deferred gas costs of \$427,611. The result is net revenues exceeding expenditures by **\$772,137**.

Comparing 2015 YTD actual versus 2014 YTD actual yielded the following information: 2015 revenues are more than 2014 by 21.9% or \$621,562. 2015 expenses are also more than 2014 by 11.3% or \$272,687. But this still resulted in 2015 revenues exceeding expenses for a **gain of \$772,137** versus a **gain of \$423,261** for the same period of 2014.

Lottery Fund

Excluding Grant Revenue since none has been received to-date in 2015, September 30, 2015 year-to-date revenues were \$73,096 (10.5% or \$6,976 over budget). Expenses at September 30, 2015 were \$176,021 (21.3% or \$30,896 over budget), due primarily to the cost of Kit Carson Bandstand being over budget by \$25,411. The result is net expenditures exceeding revenues for a **loss of \$102,925**.

Comparing 2015 YTD actual versus 2014 YTD actual (excluding grant revenue received in 2014 and budgeted in 2015 but not yet received in 2015) yielded the following information:
*2015 revenues are more than 2014 by 12.9% or \$8,368. 2015 expenses are more than 2014 by 61.1% or \$66,755 (no bandstand costs in 2014). This resulted in 2015 expenses exceeding revenues for a **loss of \$102,925** versus a **loss of \$20,019** for the same period of 2014.*

Tourism Fund

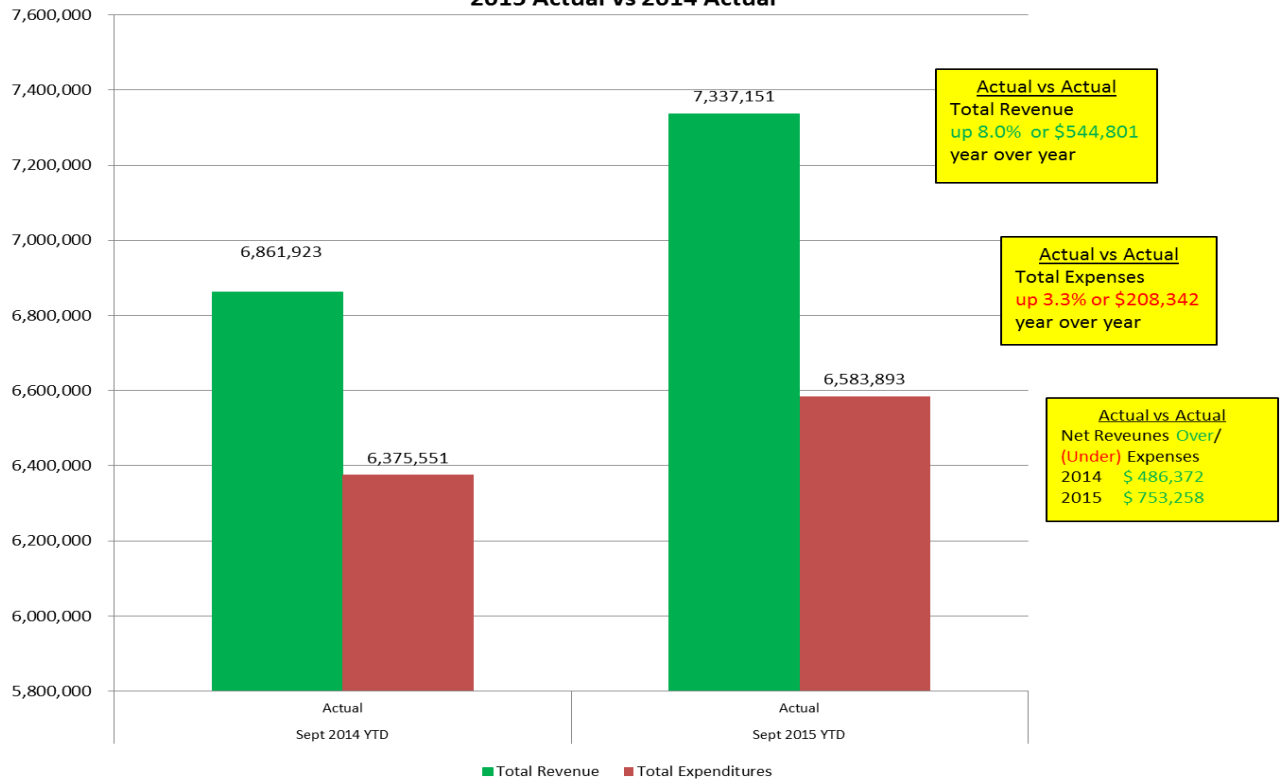
*Year-to-date revenues at September 30, 2015 were \$178,815 (**25.5% or \$36,315 over budget**). Expenses were \$82,241 (**42.3% or \$60,259 under budget**), due primarily to advertising/publications being under budget. The result is net revenues exceeding expenditures for a **gain of \$96,574**.*

Comparing 2015 YTD actual versus 2014 YTD actual yielded the following information:
*2015 revenues are more than 2014 by 13.6% or \$21,425. 2015 expenses are less than 2014 by 14.4% or \$13,797. This resulted in 2015 revenues exceeding expenses for a **gain of \$96,574** versus a **gain of \$61,352** for the same period of 2014.*

Capital Projects Fund

Projects vary so widely from one year to the next, at this time any review of actual to actual would provide little if any value. In addition, due to the continued focus on CIP with the significant changes to the budget, projects and timing and the previous detailed reviews with the public and council, no budget comparisons have been done for this report.

General Fund Revenue & Expenditures 2015 Actual vs 2014 Actual



Other Operating Net Revenue versus Expenses Positive (Rev exceeds Exp) or Negative (Exp exceeds Rev)

